

1999 DRAFTING REQUEST

Bill

Received: **10/6/98**

Received By: **champra**

Wanted: **Soon**

Identical to LRB:

For: **Administration-Budget 6-8777**

By/Representing: **Presser**

This file may be shown to any legislator: **NO**

Drafter: **champra**

May Contact:

Alt. Drafters:

Subject: **Employ Pub - retirement**

Extra Copies:

Topic:

DOA:.....Presser - WRS Death Benefit under Accelerated Payment Option

Instructions:

See Attached.

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/1	champra 10/7/98	gilfokm 10/8/98	jfrantze 10/8/98	_____	lrb_docadmin 10/8/98		Retire

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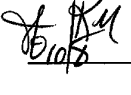
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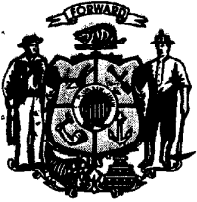
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FE Sent For:

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STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION
101 East Wilson Street, Madison, Wisconsin

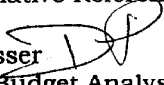
TOMMY G. THOMPSON
GOVERNOR
MARK D. BUGHER
SECRETARY

Mailing Address:
Post Office Box 7864
Madison, WI 53707-7864



Date: 5 October, 1998

To: Steve Miller
Chief, Legislative Reference Bureau

From: Dennis Presser 
Policy and Budget Analyst, 6-8777

Subject: Department of Employee Trust Funds statutory language proposals

Please draft the following eight statutory language proposals from the Department of Employee Trust Funds for its FY99-01 biennial budget request.

They include:

- Interest on refunds and underpayments
- Purchasing forfeited service
- QDRO--participant's status
- Death benefit under accelerated payment option
- Accumulated Sick Leave Conversion Credit Program changes
- Accumulated Sick Leave Conversion Credit base pay rate changes
- Closure and publication of write-off accounts
- Establishment of statutory lien provision

Please call with any questions. Thanks.



**Department of Employee Trust Funds
Statutory Language Drafting Request**

- Draft for Possible 99-01 Budget Bill Introduction
- Draft for Possible Introduction as Department-sponsored or Independent Bill

Subject: Death Benefit under Accelerated Payment Options

Request Date: September 15, 1998

Contact Name in Agency for Drafter (phone no): Pam Henning (267-2929)

Brief Description of Intent:

Current law states that the temporary annuity for accelerated payment options is paid until the participant reaches age 62 or dies, whichever comes first. If the annuitant dies before age 62, the death benefit is based only on the after-age-62 benefit amount. Although our application materials have several statements that provide this information, applicants and their beneficiaries assume that the death benefit will include the temporary annuity until the annuitant's 62nd birthday. Beneficiaries are frequently very upset to discover that the temporary annuity ends upon the annuitant's death.

Under the proposed change, if the annuitant dies before reaching age 62 the remainder of the temporary annuity would be included in the death benefit. This improves the benefit design, customer service and operational efficiency.

Related Statutory Citations

s. 40.24 (1) (e) is amended to read:

A reduced annuity payable in the normal form or any of the optional life forms provided under this section, plus a temporary annuity payable monthly but terminating with the payment payable in the month following the month in which the annuitant attains age 62 or, ~~if earlier, on the death of the annuitant~~ if the annuitant dies before reaching age 62, in the month in which the annuitant would have attained age 62.

Per Pam Henning (10/17): has initial applicability section: first applies to an annuitant who dies on eff date of subsection.



State of Wisconsin
1999 - 2000 LEGISLATURE

LRB-0469/1

RAC:.....
KMG

soon

DOA:.....Presser – WRS Death Benefit under Accelerated Payment Option
FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

1 AN ACT <sup>Dent
Gen Cat.</sup> relating to: the budget.

Analysis by the Legislative Reference Bureau

RETIREMENT AND GROUP INSURANCE

Under current law, a participant in the Wisconsin retirement system (WRS) may elect to receive a social security integrated annuity. A social security integrated annuity allows a participant to receive an accelerated WRS annuity in the form of a higher annuity before the age of 62 than he or she would ordinarily receive. But when the participant begins to receive social security payments at the age of 62, the WRS annuity is reduced to an amount less than he or she would ordinarily receive. The amount of the accelerated WRS monthly annuity before the participant attains the age of 62 should be the same as the sum of the WRS monthly annuity and the social security monthly annuity received by the participant after he or she attains the age of 62.

Under current law, however, if the participant dies before the age of 62, the death benefit paid to the beneficiary is based on the reduced WRS benefit that would have been payable to the participant when he or she would have reached age 62. This bill changes the date on which the annuity amount is reduced from age 62, or, if earlier, on the death of the annuitant, to age 62 or, if the annuitant dies before attaining age 62, in the month in which the annuitant would have attained age 62. The effect of this change is that the death benefit paid to the beneficiary will include the higher WRS annuity of a participant who was receiving a social security integrated annuity, but who died before the age of 62.



State of Wisconsin
1999 - 2000 LEGISLATURE

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